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TO AMEMBASSY NEW DELHI PRIORITY 0000
INFO MISSILE TECHNOLOGY CONTROL REGIME COLLECTIVE

S E C R E T STATE 032920

SIPDIS

E.O. 12958: DECL: 04/03/2034
TAGS: [MTCRE](#) [PARM](#) [PREL](#) [ETTC](#) [KSCA](#) [IN](#) [IR](#)
SUBJECT: INDIAN FIRM PROVIDING MTCR-CONTROLLED ALUMINUM
POWDER TO IRAN (S)

Classified By: ISN/MTR DIRECTOR PAM DURHAM FOR REASONS
1.4 (B), (D).

¶1. (U) This is an action request. Please see
paragraph 5.

¶2. (S) Background: The United States has information
indicating that as of February 2009, the Indian firm
Sri Kaliswari Metal Powders Ltd. and Iran's SARA
Company had negotiated the sale of fifty metric tons of
aluminum powder on behalf of the N.K.I. Company, the
Tehran-based end-user. We understand that one thirty-
ton consignment of aluminum powder was to be shipped to
Iran in early March; a second shipment was to follow at
an undetermined time. This aluminum powder is likely
controlled by the Missile Technology Control Regime
(MTCR) as well as by India's own export control laws,
and is suitable for use in the production of solid
rocket propellant.

¶3. (S) The provision of MTCR-controlled items to Iran
is prohibited by United Nations Security Council
Resolution 1737. Additionally, the sale is reportable
under the United States' Iran, North Korea, and Syria
Nonproliferation Act (INKSNA), and could result in the
imposition of sanctions against Sri Kaliswari Metal
Powders Ltd.

¶4. (S) Objectives: We want to share this information
with Indian officials and urge them to investigate,
share the results of our investigation with us, and
take all appropriate measures to prevent the supply by
Sri Kaliswari Metal Powders Ltd. of further quantities
of aluminum powder to Iran.

¶5. (U) Action Request: Department requests Embassy New
Delhi approach appropriate host government officials to
deliver the talking points in Paragraph 6 and report
response. At Post's discretion, the possibility of
INKSNA sanctions may be raised with Indian officials.
Talking points may be left as a non-paper.

¶6. (S) Begin talking points/non-paper:

(SECRET REL INDIA)

-- We would like to raise with you a matter of
proliferation concern and request your government's
assistance in investigating this activity.

-- We have information indicating that as of February
2009, the Indian firm Sri Kaliswari Metal Powders Ltd.
and Iran's SARA Company were negotiating a deal
involving the sale of a quantity of aluminum powder.

-- SARA Company was acting as an intermediary on behalf
of the N.K.I. Company, the Tehran-based end-user.

-- The powder, fifty metric tons of Cock Brand Atomized

Aluminum Powder Atom 50, is being ordered in two separate consignments.

-- We understand that the first consignment of thirty metric tons was to be shipped by sea to Bandar Abbas, Iran in early March.

-- We have no information on the timing for the delivery of the second consignment.

-- However, we also understand that a small sample of the powder had been sent to N.K.I. Company as of mid-February.

-- Sri Kaliswari Metal Powders Ltd. is located at 5A Chairman A. Shunmuganadar Road, Sivakasi - 626 123, India.

-- This aluminum powder is suitable for use in the production of solid rocket fuel and is likely controlled by the Missile Technology Control Regime (MTCR) as well as by India's own export regulations.

-- The sale of MTCR-controlled items to Iran is prohibited by United Nations Security Council Resolution 1737.

-- We encourage you to investigate this information and take appropriate measures to ensure that Sri Kaliswari Metal Powders is not acting as a source of supply of MTCR-controlled items to Iran.

-- We appreciate India's cooperation on nonproliferation issues and look forward to hearing the results of your investigation of this matter.

End talking points/non-paper.

17. (U) Washington POC is ISN/MTR John Paul Herrmann (Phone: 202-647-1430). Please slug any reporting on this issue for ISN and SCA.

18. (U) A word version of this document will be posted at www.state.sgov.gov/demarche.
CLINTON